



Republican Policy Committee

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Congress Passes What the Doctor — and the Patient — Ordered **A Study in Contrasts: Congress's Health Care Reform Versus Clinton's Health Care Takeover**

Last week, after a three-month delay, Senator Kennedy finally agreed to allow the Senate and House to move toward placing a health care reform bill before the President. The reason for Senator Kennedy's drawn-out procedural delay was simple: He's the leading proponent of President Clinton's nationalized health care plan that America rejected two years ago. Because Senator Kennedy has refused to relinquish hopes of government-run health care, he similarly has refused to move in the opposite direction — toward returning decisionmaking to the health care consumers. Congress's bill sharply contrasts with Clinton-Kennedy's approach of putting more health care decisionmaking into bureaucrats' hands.

The Kassebaum Bill: Keeping the Patient First

The Kassebaum bill addresses the need for incremental reform in America's private-run health care system. It will allow for portability, accessibility, affordability, and innovation. It:

- ▶ **Protects those with preexisting medical conditions** by prohibiting plans from limiting or denying coverage for more than 12 months ("crediting" coverage of less than 12 months against this period) for a medical condition that was diagnosed or treated in the 6 months prior. Once this 12-month period expires, *no new preexisting limit can ever be imposed* so long as coverage is maintained — even with job or health plan changes.
- ▶ **Guarantees health coverage availability** by preventing any health coverage insurers from denying coverage to employers with between 2 and 50 employees and prohibiting the exclusion from employment-based coverage based on any employee's health status.
- ▶ **Guarantees renewability of health coverage** to both employers and individuals as long as premiums are paid, unless they are guilty of fraud or misrepresentation.
- ▶ **Guarantees continuation of coverage** for individuals after they leave group coverage as long as they have had employment-based coverage for 18 months and have exhausted (or are ineligible for) their COBRA coverage.

- ▶ **Provides favorable tax treatment** for long-term care, accelerated death benefits, and state-sponsored risk pools.
- ▶ **Increases health deductions for the self-employed** to 80 percent, thus generally bringing the self-employed on par with most employees, whose employers pay about 80 percent of their employees' health insurance premiums.
- ▶ **Allows penalty-free IRA withdrawals** for medical expenses and long-term care.

The Clinton-Kennedy Approach: Putting the Bureaucrat First

Clinton-Kennedy was the perfect plan for those who didn't worry about quality, costs, taxes, mandates, and inefficiency. According to the Congressional Budget Office (CBO), the Clinton-Kennedy plan from FY 1996-2004 would have:

- ▶ **Cut Medicare** by \$344 billion;
- ▶ **Increased taxes** by \$289 billion;
- ▶ **Increased federal spending** by \$423 billion; and
- ▶ **Increased the federal deficit** by \$136 billion.

"What Part of 'No' Don't You Understand?"

Despite demand for the Kassebaum approach and rejection of the Clinton-Kennedy plan, Senator Kennedy and members of the Clinton White House refuse to take "no" for an answer in a manner reminiscent of the country-western song, "What Part of 'No' Don't You Understand?"

- ▶ *"In a little-noticed aside to reporters during a recent tour of Eastern Europe, first lady Hillary Rodham Clinton said she still regards the government overhaul of the \$1 trillion medical industry that she drafted in 1994 as a 'basic model' for the future." Mrs. Clinton's spokesman Neel Lattimore: "That was the hope in 1994 and that is the hope today." (Washington Times, 7/22/96)*
- ▶ *"We're going to get this done and we're going to keep coming back at it . . . If we have a big sweep for the Democrats in the House and Senate, we'll get single-payer." (Senator Kennedy, Reuters, 6/17/96)*
- ▶ *"Certainly his views haven't changed ... President Clinton remains committed to the idea. Indeed, the President will try again if a more receptive Congress is ever elected, Magaziner said." (Providence Journal, 5/7/96, on remarks by White House adviser Ira Magaziner, designer of the Clinton-Kennedy nationalized health care plan)*

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